

**Budget Committee Meeting Minutes**  
**Wednesday, August 20, 2008**  
**4:11 p.m.**  
**Third Floor, City Hall**

**Present:** **Chair:** CW Hamilton  
**Members:** CM Benson, CM Kramer, CW Woolridge (4:30pm), CM Tandy, CM Heiner, CM  
Unsel (4:55pm),  
CM Fleming, CM Downard & CM Blackwell (4:25pm)

**Absent:** CW Green (excused absence)

**Also Present:** President King

Chair CW Hamilton began the meeting by announcing the members of the committee present. Quorum was established.

**Special Items For Discussion**

1- [Comprehensive Annual Financial Report - Jane Driskell](#)

In attendance for the Comprehensive Annual Financial Report (CAFR) for 2007 were Jane Driskell, CFO Finance & Administration, Kim Livesay, Accounting Administrator, Stephanie Moore, Accounting Manager and Bill Meyer, Strothman & Company, external auditor. The following information was presented and discussed:

- "CAFR" = Comprehensive Annual Financial Report (accessible on-line for the public)
  - Definition of CAFR
  - Contains Metro's audited financial statements for the year
  - Used by various governmental agencies
  - Used by debt rating agencies, such as Moody's, Standard & Poor and Fitch to determine the credit risk of the government and the interest rates for bonds issued by Metro
- Metro's Closing Process
  - Fiscal Year ends on June 30<sup>th</sup> – start of the closing process for the financial year
  - Process transactions through the end of August
- Audit & Financial Statement Compilation
  - Fieldwork begins in September and auditors remain on site until mid to late December
- Components of Report
  - Introductory Section
    - Transmittal letters from the Mayor & CFO
    - Certificate of Achievement for Excellence in Financial Reporting Award
    - Metro's Organizational Chart
    - List of Elected Officials & Finance Officials
  - Financial Section - this section provides Metro's financial information and contains the following information:
    - Independent Auditors Report
      - The auditors report contains an opinion on the financial statements
      - Metro received an unqualified (clean) opinion for the Fiscal Year 2007
    - Managements Discussion & Analysis (MD&A)
      - The MD&A contains a brief overview of Metro's financial activities for the year
      - The MD&A should be read in conjunction with the financial statements
    - Basic Financial Statements
      - Government wide statements
        - Statements of Net Assets & Statement of Activities
      - Fund Financial Statements
        - Balance Sheet & Statement of Revenues, Expenditures & Changes in Fund Balance
      - Proprietary Fund Statements
      - Fiduciary Funds Statements
      - Component Unit Statements

- The basic financial statements contain information on all Metro Agencies and component units, the following are discretely presented component units:
    - Louisville Water Company
    - Parking Authority of River City (PARC)
    - Transit Authority of River City (TARC)
    - Louisville & Jefferson County Riverport Authority
    - Metropolitan Sewer District (MSD)
    - Louisville Science Center
  - Notes to the Financial Statements
    - Notes provide additional detail on items found in the Government Wide & Fund Financial Statements – Significant Notes
      - Summary of Significant Account Policies; provides a description of
        - Government Wide Financial Statements
        - The Financial Reporting Entity
        - Measurement focus & basis of accounting
        - Revenue recognition
        - Other Accounting treatments
      - Cash Deposits & Investments
        - Addresses custodial credit risk, interest rate risk, credit risk and concentration of credit risk
        - Information regarding the cash & investments of Metro's discretely presented & blended component units
      - Capital Assets
        - Detailed information about the components of Metro's largest Government wide asset group is presented
      - Long Term Debt – detailed information presented for:
        - General Obligation Bonds
        - First Mortgage & Lease Revenue Bonds
        - Notes Payable
        - Annual Debt Service Requirements
        - Discretely Presented Component Units
    - Required Supplementary Information (RSI)
    - Other Supplementary Information
      - Combining financial statements
  - Statistical Section
    - This section provides detailed information for understanding what the information in the financial statements, note disclosures, & RSI says about Metro's overall financial health
    - Financial Trends
    - Revenue Capacity
    - Debt Capacity
    - Demographic & Economic Information
    - Operating Information
- Issuance of Management Comments
  - Material Weaknesses
  - Significant Deficiencies
  - Control Deficiencies
- Metro Expenses by Function
  - General & Administration
  - Public Safety
  - Public Works
  - Solid Waste Management Services
  - Inspections, Permits & Licenses
  - Economic Development
  - Cultural & Recreation
  - Long-term Interest
- Significant overtime in Metro Government

- Finance & Administration to forward the detail on OT for Government Agencies
- Requested by the committee was the designation list for the General Fund Balance

### **Pending Legislation**

2- [O-147-08-08 AN ORDINANCE AMENDING ORDINANCE NO. 98, SERIES 2005 BY TRANSFERRING \\$76,661.74 IN AGENCY RECEIPT FUNDS FROM THE COMPLETED ANIMAL CARE CENTER FEASIBILITY STUDY PROJECT TO THE ANIMAL TRANSPORT CAGES PROJECT.](#)

**Status:** In-Committee  
**Committee:** Budget  
**Primary Sponsor:** Robert Henderson

Motion to Approve made by David Tandy and seconded by Kelly Downard

Gilles Meloche, Metro Animal Services, stated the transfer would purchase 5 new transport units needed; 5 new pick ups were purchased, modified and described as the “box” trucks with cages that have air conditioning, heat, feeding, etc. to allow impoundment of multiple animals at one time, instead of make multiple trips to the Animal Shelter. The transfer from one account is not further necessary since the Animal Care Center is underway. The funds left over were being transferred to another account by amending the budget, where the funds are needed for the Animal Transport Cages Project.

By vote, the item was sent to the **CONSENT CALENDAR** for the 08/28/08 Metro Council Meeting.

VOTING RESULTS - For: 7; Against: 0; Abstain: 0; Absent: 4

For: David Tandy, Kenneth C. Fleming, Kelly Downard, Hal Heiner, Cheri Bryant Hamilton, Kevin Kramer, Stuart Benson  
Against: (None)  
Abstain: (None)  
Absent: Judy Green, Mary C. Woolridge, George Unseld, Rick Blackwell

3- [O-132-07-08 AN ORDINANCE AMENDING ORDINANCE NO. 112 SERIES 2006, RELATING TO THE FISCAL YEAR 2006-07, CAPITAL BUDGET FOR THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT BY TRANSFERRING \\$3,000 OF CAPITAL CUMULATIVE RESERVE FUND BETWEEN CAPITAL PROJECTS.](#)

**Status:** In Committee - Tabled  
**Committee:** Budget  
**Primary Sponsor:** Ellen Call

This item **REMAINED TABLED IN COMMITTEE.**

4- [R-141-08-08 A RESOLUTION AUTHORIZING THE PURCHASE OF CERTAIN TRACTS OF PROPERTY LOCATED IN DOWNTOWN LOUISVILLE METRO KNOWN AS THE WATER COMPANY BLOCK.](#)

**Status:** In-Committee  
**Committee:** Budget  
**Primary Sponsor:** Jim King

Motion to Approve made by Mary C. Woolridge and seconded by David Tandy  
Bruce Traugher, Economic Development, introduction of project - City Center District & the Cordish Company. He spoke on the

presentation made last fall on the participation agreement. He stated he was prepared to return to the Budget committee for any and all concerns, questions and additional information in regards to the project.

Mr. Zed Smith, partner and Vice President of Cordish Company, briefed the committee on other projects completed in other cities. The following was presented to the committee:

- Overview of The Cordish Company
  - Four generations of family ownership
  - Largest and most recognized developer of urban mixed-use developments in the country
  - Only developer to have won six separate ULI Awards of Excellence
  - Diverse expertise in every facet and type of development
  - Successful track record of delivering world class developments in partnerships with cities and states throughout the country
- Company Divisions
  - Entertainment/Mixed-Use
  - Gaming & Lodging
  - Restaurants/Clubs/Music
  - Residential/Student Housing
  - Shopping/Lifestyle Retail
  - Sports Anchored Developments
- Presented Projects
  - The Power Plant – Baltimore, Maryland
  - Charleston Place – Charleston, South Carolina
  - Atlantic City Outlets, The Walk – Atlantic City, New Jersey
  - Bayou Place – Houston, Texas
  - Seminole Hard Rock Hotel & Casino – Hollywood, Florida
  - Kansas City Power Plant & Light District – Kansas City, Missouri
  - Ballpark Village – St. Louis, Missouri
  - Woodbine Live! – Toronto, Canada
  - NASCAR Sports Grille
  - Mosaic Lounge – Houston, Texas
  - Hard Rock Live!, Seminole Paradise – Hollywood, Florida
  - Verizon Theater, Bayou Place – Houston, Texas
  - Rams Head Live!, Power Plant Live! – Baltimore, Maryland
- City Center District for Louisville, Kentucky

The committee discussed the commitment to the project and possible changes due to the market and other variables. The timetable within the development agreement (when financing comes available); 2 years (up to 4) to get bond financing in place.

The committee concluded to have continued discussion on the item at a future Budget Committee meeting.

Motion to Table made by Kevin Kramer and seconded by Mary C. Woolridge

Without objection, the item was **TABLED IN COMMITTEE**.

Motion to Adjourn made by David Tandy and seconded by Kelly Downard

Without objection, the meeting adjourned at 5:36PM  
KLP

#### **BUDGET AGENDA VIEW ONLY**

**\*NOTE: Items sent to the Consent Calendar or Old Business will be heard before the full Council at the August 28, 2008 Council Meeting.**

